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Senate

(Legislative day of Thursday, July 26, 1962)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. PHILIP A. HART, a Senator from the State of Michigan.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, who art to be surely found if with all our hearts we truly seek Thee: Thou art known by those who love; Thou art seen by those whose hearts are pure; Thou art heard by those who hush earth's blatant noises, and in the quietness listen with reverent hearts.

Thou hast given us thoughts that wander off into eternity; Thou hast so made us that the glory of our life can never be beneath us. Forbid that, when radiant, human hopes are flaming in the sky, we should be blinded by the smoke of our own campfires. When great ideas whose day has come beckon us to be their servants, save us from giving ourselves to the dead past, rather than to the living present and the beckoning future.

We ask it in the ever-blessed Name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 1, 1962.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. PHILIP A. HART, a Senator from the State of Michigan, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. HART thereupon took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 1, 1962, the President had approved and signed the act (S.

2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

REPORT OF THE HOUSING AND HOME FINANCE AGENCY—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Banking and Currency:

To the Congress of the United States:

Pursuant to the provisions of section 802(a) of the Housing Act of 1954, I transmit herewith for the information of the Congress the 15th Annual Report of the Housing and Home Finance Agency covering housing activities for the calendar year 1961.

JOHN F. KENNEDY,
THE WHITE HOUSE, August 1, 1962.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 4094) to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 4094) to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources, was read twice by its title and referred to the Committee on Interior and Insular Affairs.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object—and I shall not object—I think the quorum call should be withdrawn while we seek, as I understand, to work out any understanding that might possibly be worked out before the debate proceeds.

The ACTING PRESIDENT pro tempore. The Senator is not objecting to the withdrawal of the quorum call?

Mr. MORSE. No; I said I am not objecting.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the satellite bill (H.R. 11040) be made the pending business; that upon its being made the pending business it be immediately referred to the Foreign Relations Committee, with instructions to report the bill back to the Senate not later than 12 noon, Friday, August 10, 1962; and that upon its being reported back to the Senate it be made the pending business before the Senate.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. TOWER. Mr. President, reserving the right to object, I should like to ask the distinguished majority leader, if this unanimous-consent agreement is arrived at and the bill is reported back to the Senate on Friday, August 10, will it remain the pending business until the matter is concluded, and not be postponed yet a third time?

Mr. MANSFIELD. May I say to the distinguished Senator from Texas, who has been most cooperative, it is the hope of the leadership that, if the request is granted, the measure will be reported back before Friday, August 10. So far as the leadership is concerned, we are prepared to use every available means at our

command to stay with this bill and bring it to a conclusion, one way or the other.

Mr. TOWER. I will rely upon the assurances of the distinguished majority leader, although I have very grave misgivings about the procedure we are following here. In my opinion, we have been delayed enough in acting on the bill. I feel that it is, reprehensible to postpone action again but I have never believed that too much should be left to the arbitrary will, discretion, and whim of one Member, and I shall not object.

Mr. LONG of Louisiana. Mr. President, reserving the right to object, and only to make the record, I think the RECORD should show that this bill was laid aside on a previous occasion at the request of the leadership. Those of us who are opposing the bill did not want to lay it aside. We had begun our fight. From our point of view, we were prepared to continue it, but the leadership asked us to delay action, because if we had insisted, a number of laws would have expired and the Government would have been left in a difficult situation. For example, the Government would not have been able to pay its bills, because the national debt limit expired.

I am happy to accede to the request, and to know that the bill will be the pending business when it comes back. We have been willing to cooperate, but those of us who think this is a bad bill will have to insist that we have the right to debate the bill.

Mr. MANSFIELD. What the Senator has said is correct. Every individual Senator's right will be protected to the best ability of the leadership.

Mr. HRUSKA. Mr. President, reserving the right to object—and I shall not object—yesterday I said it would be possible, in the 8 legislative days intervening, to take up the farm bill and other legislation. It is my understanding that will not be the case because of certain proceedings that must be taken prior to the time when the farm bill will be taken up on the Senate floor. Is that correct?

Mr. MANSFIELD. That is correct. It has to be considered in the policy committee, because it is a major bill, and no policy committee meeting is contemplated before next Tuesday.

Mr. GOLDWATER. Mr. President, last night I objected to the procedure. After discussing the matter with the distinguished majority leader, the distinguished minority leader, and the distinguished Senator from Oklahoma [Mr. KERR], and having received assurances from those Senators, and having been reassured on the floor this morning that the bill will be pursued to its ultimate conclusion, I shall not object.

Mr. YOUNG of North Dakota. Mr. President, reserving the right to object, I would like to inquire what schedule there will be for farm legislation. The time is fast running out for farm legislation. In order for wheat legislation to be effective for next year's crop it would have to be enacted almost immediately to provide sufficient time to give the necessary information to wheat farmers voting in the referendum to be held not later than August 31.

Mr. MANSFIELD. The Senator knows it is on the calendar. It has to be considered by the policy committee. No meeting will be had before next Tuesday. I am hoping by that time the proposal which we are considering will be back and will be the pending business.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, first, I express thanks to Senators for the courtesy shown the combined leadership on this matter. I think this is the solution of a problem which was becoming quite vexing for all of us. I am hoping this matter will be reported to the Senate before Friday noon, August 10.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there may be a morning hour and that statements during the morning hour be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask for the attention of Senators.

I ask unanimous consent that the reading of the Journal of the proceedings for the calendar days of July 27, 28, 30, and 31, 1962, be dispensed with.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, while Members of the Senate are on the floor, I should like to query the distinguished majority leader as to what bills he has in mind for action for the remainder of the week.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished minority leader, the following bills are possibly to be considered:

The Defense appropriations conference report.

The Interior appropriations conference report.

The Treasury-Post Office conference report.

The NASA authorization conference report.

The AEC authorization bill, Calendar No. 1631, Senate bill 3392.

The AEC omnibus amendments bill, Calendar No. 1639, Senate bill 3491.

The legislative appropriation bill, Calendar No. 1748, H.R. 11151.

The West Point cadet strength bill, Calendar No. 1494, H.R. 7913.

The Trading With the Enemy Act amendments, Calendar No. 1043, Senate bill 495.

Various Merchant Marine Act amendments.

Mr. DIRKSEN. Mr. President, one other inquiry. It is my understanding

that the Finance Committee has, at long last, completed action on the tax bill, and I am wondering whether or not there is some tentative understanding with respect to the consideration of the bill on the floor.

Mr. MANSFIELD. No, there is not, at this time.

Mr. KERR. Mr. President, with reference to the tax bill, I am happy to advise the distinguished Senator from Illinois and the majority leader that the bill should be ready to be considered by the Senate a week from Monday, August 13.

Mr. DIRKSEN. A week from Monday.

Mr. KERR. The bill will be reported by Saturday, August 11, which should put it before the Senate a week from Monday.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Would the majority leader indicate when we might expect consideration of the farm bill?

Mr. MANSFIELD. I cannot at this time, because the bill is on the calendar. It will have to be considered by the Policy Committee and acted on in that body.

Mr. ROBERTSON. It will probably not be considered this week?

Mr. MANSFIELD. No.

Mr. ROBERTSON. Could the chairman of the subcommittee which handled two conference reports on the appropriations for the Defense Department and the Post Office Department, indicate that at 3 o'clock this afternoon, or shortly thereafter, he would like to be recognized to bring up those two conference reports?

Mr. MANSFIELD. I would hope that that would be the case. I shall do my best to be of assistance.

Mr. ROBERTSON. Then I shall notify the conferees.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business in order to take up nominations on the calendar.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. SMITH of Massachusetts (for Mr. BIBLE), from the Committee on the District of Columbia:

Edgar H. Bernstein, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia.

giant monopoly. Documented proof of all statements available. Take a second look Senator before you vote.

CLARENCE A. MCKEE,
National President, Private Communications Association, Inc.

WHY DO THEY DO EVERYTHING BUT THE RIGHT THING, WHICH IS TO INCREASE OUR DOMESTIC GOLD PRODUCTION?

Mr. GRUENING. Mr. President, President Kennedy and Secretary Dillon have taken steps which I am advised are designed to stop the counterfeiting of gold coins and to put an end to the restriking of certain gold coins dated prior to 1933 by certain nations.

The President's Executive Order No. 11037 of July 20, 1962, ends gold coin imports or holdings overseas by U.S. citizens after January 1, 1963. This means that residents of this Nation can no longer buy U.S. or foreign gold coins abroad unless the citizen is a collector of rare coins and has a license which confirms that he is a collector. Such action, I am told, will protect coin collectors, eliminating any possibility that they fall prey to unscrupulous persons who would attempt to sell them counterfeit coins.

Such action, I am advised, also will make it impossible for a Member of the U.S. Congress to ask a Department of the Treasury spokesman, "Why is it possible to purchase gold coins abroad and not in the United States?"

Once again, Mr. President, I am astonished at the remarkable ability of the executive department to do in the gold situation everything but the right thing, which would provide the necessary action to keep our gold mining industry strong and our gold miners employed; the proper action to bolster our gold reserves by making possible a subsidy for the mining of newly mined domestic gold.

Obviously, I do not condone counterfeiting, nor do I condone the hoarding of gold in oversea caches. Such practices are criminal and illegal in the first instance, and regrettable in the second. They should be halted. The action of the President in this matter is commendable but it does not help our domestic gold industry which is fast becoming a part of our history.

How much do gold coins cost the buyer? Earlier last month I checked with stores in Washington, D.C., where rare gold coins are sold. I found that a \$20 gold piece could be purchased for \$47 or \$49 or \$65. If the buyer wanted the coin mounted as a piece of jewelry, the price would be more. While I was checking gold coin prices, I regretted not having a cache of \$4 and \$3 gold pieces. The \$4 piece is rare and may bring \$1,000. The \$3 gold piece sells for \$200. Again, let me point out that this pricing is only a sampling, and in no sense can be considered the established pricing. Undoubtedly, it is possible to find a different price scale in other cities or elsewhere in Washington, D.C.

The New York Times carried a story on the Presidential Executive order.

The White House was quoted as having said:

The action had been taken to prevent large-scale counterfeiting and restriking of rare gold coins in Europe, Argentina and India.

In the same paragraph the author of the story writes:

A Treasury official acknowledged that a "fringe benefit" would be to prevent the outflow of dollars.

Coin dealers in New York City were not joyful. Their comments ranged from a feeling that the order was a forerunner of another order increasing the price of gold to the conviction that the Government is up to something.

The general feeling was not one of confidence, I regret to report.

Mr. President, I ask unanimous consent that the full text of the New York Times article be reprinted in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KENNEDY BARS GOLD-COIN IMPORTS OR HOLDINGS ABROAD AFTER JANUARY 1—ACTS TO CURB COUNTERFEITING, BUT WHITE HOUSE SAYS MOVE WILL ALSO HELP REDUCE OUTFLOW OF DOLLARS

(By Richard P. Hunt)

President Kennedy signed an Executive order yesterday to prohibit Americans from importing gold coins or holding them abroad after next January 1, except in unusual cases.

The White House said the action had been taken to prevent large-scale counterfeiting and restriking of rare gold coins in Europe, Argentina, and India. But a Treasury official acknowledged that a "fringe benefit" would be to prevent the outflow of dollars.

Coin dealers here reacted with a mixture of hostility and suspicion. One foresaw increased public speculation about a devaluation of the dollar; another feared that gold coins in private collections would be seized.

The dealers seemed to agree that speculators trying to make a quick buck were likely to bid up the price for U.S. gold coins sold as collectors' items.

Under the President's order, Americans may continue to hold genuine rare gold coins in the United States and they will have until the end of this year to dispose of or import genuine rare gold coins that they now hold abroad.

After January 1 imports of gold coins will be permitted only in exceptional cases.

Leland Howard, head of the Treasury's gold and silver bureau, said the main purpose of the order was to strike at counterfeiting. But he said there was also a possibility that some Americans were hoarding gold coins as a hedge against dollar devaluation.

It has been illegal since January 1961 for Americans to hold gold in bars abroad. But the prohibition has not applied to coins, and some coin dealers have been advertising gold coins with the argument that the United States eventually would raise the price it pays for gold, now \$35 an ounce.

Despite rumors about an increase in the price of gold, which would be tantamount to a devaluation of the dollar, informed financial observers believe the Kennedy administration meant what it said when it promised there would be no devaluation.

But coin dealers here were not convinced yesterday.

Herbert Voit, head of the coin department at the Perera Co., currency and coin dealers at 10 Broadway, said:

"I have a high suspicion the Government is up to something. Otherwise they wouldn't have bothered with this."

Mr. Voit added that he doubted the President's order would be effective.

"If people have gold, I don't think Mr. Kennedy would be able to get that information out of them," he said.

Benjamin Stack, a partner in Stack's, a coin collectors' shop at 123 West 57th Street, said he believed the Presidential order was "the forerunner of an order increasing the price of gold."

But he added that the order "should have no effect on a person who is a serious collector" of gold coins.

John J. Ford of the New Netherlands Coin Co., 1 West 57th Street, said the order would raise the price of gold coins in the United States because foreign sources of the coins would be cut off.

In Cleveland, the Associated Press reported, coin dealers at a convention of collectors were warned that customs agents had been seizing collections of gold coins minted since 1933.

Mr. Howard confirmed a report that customs agents of San Antonio, Tex., had seized \$5,000 worth of gold coins from dealers and collectors on July 12, on the ground that they had been smuggled in from Mexico.

He said that coins minted after 1933 were illegal to hold and subject to seizure unless they had been officially pronounced to be rare coins. The standards of rarity are set by the Smithsonian Institution, he said.

Mr. GRUENING. Mr. President, I was glad to learn from the story that a fringe benefit might help our balance-of-payments problem, but I detected nowhere a concern over the plight of domestic gold miners, although Secretary of the Treasury Dillon did indicate a concern in his testimony before a subcommittee of the other body earlier this month.

In response to direct questioning Secretary Dillon replied:

We certainly would like to see more gold produced if there were any way to produce it without giving the appearance of having two prices for gold.

It is very clear that the world monetary authorities, the central bankers, the private bankers everywhere in the world, would think that was a first step toward a change in the price of gold, which would be a devaluation of the dollar.

Later, the Secretary said:

So I said, if we could find a way to have more gold it would be fine. There might be some differences of opinion as to the volume of gold that could be produced in the United States even with such a subsidy because the record of 1933 or 1934, whenever the price went up, at that time it was not indicated that that was very large.

Mr. President, I believe this is the first time, to my knowledge, that Secretary of the Treasury Dillon has been so responsive in questioning and has shown that he is aware of the gold mining problem. I am encouraged that his unspoken concern has at long last been voiced.

I cannot be as enthusiastic over his concern with what the world monetary authorities might think of this Nation should gold miners be given a subsidy for newly-mined domestic gold, as is proposed in Senate Joint Resolution 44, introduced by the junior Senator from California, Mr. Engle, and cosponsored by his colleague, Senator Kuchel,

by the senior Senator from Idaho, Mr. Church, by the late Senator Francis Case, of South Dakota, and by me.

Stimulated by this new-found evidence of interest on the part of the Secretary of the Treasury in greater domestic gold production, a group of seven Senators, all concerned with this need, wrote Secretary Dillon suggesting to him that, if he could not support the legislative proposal of a subsidy contained in Senate Joint Resolution 44, he should come up with a better solution. This letter followed the request of Senator JOHN A. CARROLL, chairman of the Subcommittee on Minerals and Mining of the Committee on Interior and Insular Affairs, made at the close of the hearing on Senate Joint Resolution 44 on June 8, that the Treasury Department present an alternative to the gold subsidy proposal if that were still found unacceptable.

Senator CARROLL's request concluded the hearing, after the following comments by Senator CHURCH and by me:

Senator CHURCH. Mr. Chairman, I just want to say that I think the useful function of the hearing today is in defining the exact area of disagreement between the members of the committee and the Treasury Department.

Mr. Roosa. Indeed, yes.

Senator CHURCH. With respect to the psychological impact that an incentive payment might have upon world markets and the value of the dollar.

But I think that the hearing equally shows that if we are to make some progress on behalf of the mining industry, and pursue the feeling that I think is shared by the majority of the members of this committee, that we have either got to go over or under or around the Treasury Department, and with all deference to the members of the Treasury Department, I think we must explore those possibilities, because that is a part of our legislative function.

Senator GRUENING. And I would like to suggest that the Treasury Department help us in this exploration.

I agree with Senator ANDERSON that it is rather discouraging that every suggestion is met with a negative reply. Surely there must be some way in which an industry of this kind, restricted uniquely in ways that no other industry is in our free enterprise system, can be allowed to exist.

After all, the Treasury Department has not merely the monetary function but has other vital functions having to do with our whole economy and the prosperity and progress of our people.

It seems to me that when you folks return to your offices in the Treasury as a result of this hearing, though your minds may not have been changed in the slightest degree as to this particular procedure, which is the only one as yet suggested, that there are practical other ways of making gold mining possible and adding thereby to our dwindling gold reserves.

I venture to suggest the possibility of writing into this very act a provision that the price shall not be changed, so that at the same time there would be offered the hope of a subsidy or some other form of relief, we state specifically that this has no bearing on the monetary aspect of gold.

I hope that you will take that idea back, think it over, and come up with something else very soon, because it is very late, and within a year or two all our mines will be closed, and once closed, reopening them will be very difficult.

Senator CARROLL. I might suggest that we request an answer from Treasury within 30 days.

Senator GRUENING. I think that is quite soon, but I agree with that direction.

The letter to Secretary Dillon was as follows:

U.S. SENATE,
Washington, D.C., July 25, 1962.
Hon. C. DOUGLAS DILLON,
Secretary of the Treasury,
Washington, D.C.

DEAR MR. SECRETARY: We read with interest your testimony on the subject of gold before the Subcommittee on Foreign Relations of the House Appropriations Committee on July 2, 1962.

We note particularly your statement, "We certainly would like to see more gold produced if there were any way to produce it without giving the appearance of having two prices for gold." We note also that you concurred in the statement made by Congressman RHODES that it would be good to have more gold in supply.

As you know, we have pending in the Congress a bill to increase the domestic production of gold. This bill recognizes the difficulty that would occur if we gave the appearance of having two prices for gold. The bill specifically provides that the Treasury price of gold shall not be changed. It then provides for a subsidy, which would vary from \$1 to \$35, to encourage the production of gold. The bill thus recognizes that one mine can get into production at \$45 while another might take \$50, \$60, etc. It would therefore, be very clear that the purpose of the legislation is to increase our gold supply and not to change the world price of gold—or to set two prices for gold.

This matter has been given long study in the Congress, and we think that the approach embodied in the pending legislation (S.J. Res. 44) is the only practical way to get the job done and avoid the pitfalls referred to in your testimony.

In the light of your statement that you would like to see more gold produced, we think that you ought to either support our suggestion or come up with a better one.

Best personal regards.

Sincerely yours,

CLAIR ENGLE.
ERNEST GRUENING.
J. J. HICKEY.
FRANK CHURCH.
THOMAS KUCHEL.
KARL MUNDT.
E. L. (BOB) BARTLETT.

It is substantially more than 30 days since Senator CARROLL's June 8 request. We hope that our "followup" letter to Secretary Dillon will bring an early constructive answer.

Mr. President, I ask unanimous consent that the text of the President's Executive order and the amending regulations regarding gold be inserted in the RECORD at this point.

There being no objection, the order and regulations were ordered to be printed in the RECORD, as follows:

[From the Federal Register, Tuesday, July 24, 1962]

EXECUTIVE ORDER 11037: AMENDMENT OF SECTION 12 OF EXECUTIVE ORDER NO. 6260 OF AUGUST 28, 1933, AS AMENDED

By virtue of the authority vested in me by Section 5(b) of the Act of October 6, 1917, as amended, 12 U.S.C. 95a, and in view of the continued existence of the national emergency proclaimed by Proclamation No. 2914 of December 16, 1950, I, John F. Kennedy, President of the United States of America, do hereby further amend Executive Order No. 6260, as amended, as follows:

1. Section 12 is amended to read as follows:

"12. Except under license issued therefor pursuant to the provisions of this order, no

person subject to the jurisdiction of the United States shall, after the effective date of this section, acquire, hold in his possession, earmark, or retain any interest, legal or equitable, in any gold coin, gold certificates, or gold bullion, situated outside of the United States or any securities issued by any person holding, as a substantial part of his assets, gold as a store of value or as, or in lieu of, money and not for a specific and customary industrial, professional or artistic use. The Secretary of the Treasury, subject to such other regulations as he may prescribe, is authorized to issue licenses permitting the acquisition and holding by persons subject to the jurisdiction of the United States of gold bullion situated outside of the United States which the Secretary or such agency as he may designate is satisfied is required for legitimate and customary use in the industry, profession, or art in which such person is regularly engaged."

2. Notwithstanding the provisions of Section 1 of this Order, the Secretary of the Treasury is authorized to issue licenses permitting, until January 1, 1963, the holding and disposition or importation of gold coins having a recognized special value to collectors of rare and unusual coin situated outside of the United States which were acquired by persons subject to the jurisdiction of the United States prior to the effective date of this amendment and are owned by such persons on such date.

This amendment shall become effective upon filing for publication with the Office of the Federal Register.

JOHN F. KENNEDY.

THE WHITE HOUSE, July 20, 1962.
[F.R. Doc. 62-7266; Filed, July 20, 1962;
1:32 p.m.]

[From the Federal Register, Tuesday, July 24, 1962]

TITLE 31—MONEY AND FINANCE: TREASURY
CHAPTER I—MONETARY OFFICES, DEPARTMENT OF
THE TREASURY

Part 54—Gold regulations

Prohibition on Holding Rare Gold Coins
Abroad by U.S. Nationals and the Importa-
tion of Such Coins

The texts of §§ 54.14 and 54.20, as amended, and § 54.82 as added, are set forth below. These amendments prohibit the acquisition and possession by persons subject to the jurisdiction of the United States of any rare gold coins situated outside the United States, abrogating an exemption for such rare gold coins which has heretofore existed with respect to general prohibitions on the holding of gold and gold coins abroad by United States nationals. The amendments also prohibit the importation of any rare gold coins except pursuant to Treasury license, or for sale to the mints subject to the applicable Regulations governing purchases of gold by the mints.

Persons who acquired rare gold coins prior to the effective date of these amendments and who own them on such date are afforded until January 1, 1963, either to dispose of them by sale to any person who is not prohibited by the Regulations from acquiring them or to import them for holding in the United States as authorized by § 54.20 of the regulations.

The issuance of these amendments without notice, public procedure, or postponement of the effective date is deemed necessary in order to carry out the requirements and purposes of Executive Order 11037 of July 20, 1962. Accordingly, these amendments are made without notice or public procedure thereon because such procedures are deemed to be impracticable and contrary to the public interest. They are effective upon filing with the Office of the Federal Register.

(Sec. 54.1 to sec. 54.82 issued under sec. 5(b), 40 Stat. 415, as amended, secs. 3, 8, 9, 11,

48 Stat. 340, 341, 342; 12 U.S.C. 95a, 31 U.S.C. 442, 733, 734, 822b, E.O. 6260, August 28 1933, as amended by E.O. 10896, November 29, 1960, E.O. 18905, January 14, 1961, and E.O. 11037, July 20, 1962; E.O. 6359, October 25, 1933; E.O. 9198, as amended, 7 F.R. 5305; 3 CFR 1948 Cum. Supp.; E.O. 10289, 16 F.R. 9499, 3 CFR 1951 Supp.)

Section 54.14 is amended to read:

"§ 54.14 Gold situated outside of the United States.

"(a) Gold in any form situated outside of the United States may be acquired, held, transported, melted or treated, or earmarked by or on behalf of persons subject to the jurisdiction of the United States only to the extent permitted by licenses relating to the legitimate and customary use of gold in industry, profession, or art issued under § 54.25; *Provided, however,* The provisions of §§ 54.16, 54.17, and 54.19, relating to fabricated gold, metals containing gold and gold in its natural state, respectively, shall be applicable to the acquisition, holding and transportation of gold in such forms outside of the United States by or on behalf of the persons subject to the jurisdiction of the United States.

"(b) The acquisition, holding, transportation, importing and exporting, by persons subject to the jurisdiction of the United States, of securities issued by any person holding, as a substantial part of his assets, gold as a store of value or as, or in lieu of, money and not for a specific and customary industrial, professional or artistic use, is prohibited."

Section 54.20 is amended to read:

"§ 54.20 Rare coin.

"(a) Gold coin of recognized special value to collectors of rare and unusual coin may be acquired, held, and transported within the United States without the necessity of holding a license therefor. Such coin may be imported, however, only as authorized by this section or §§ 54.28 to 54.30, 54.34, 54.40, or licenses issued thereunder, and exported only in accordance with the provisions of § 54.25.

"(b) Gold coin made prior to April 5, 1933, is considered to be of recognized special value to collectors of rare and unusual coin.

"(c) Gold coin made subsequent to April 5, 1933, is presumed not to be of recognized special value to collectors of rare and unusual coin.

"(d) The Director, Office of Domestic Gold and Silver Operations, may in exceptional cases issue or cause to be issued licenses or other authorizations permitting the importation of gold coin of recognized special value to collectors of rare and unusual coin."

Section 54.82 is added.

"§ 54.82 Temporary authorizations applicable to rare gold coin situated outside of the United States.

"Notwithstanding the provisions of §§ 54.14, 54.20 or of any other section of the regulations in this part, commencing with the filing of this section with the Office of the Federal Register and until January 1, 1963, rare gold coins as defined in § 54.20 situated outside of the United States which were acquired by any person subject to the jurisdiction of the United States prior to the filing of this section with the Office of the Federal Register and are owned by such person on that date may be held, transported, earmarked, and disposed of to persons not prohibited from acquiring such gold coins under the regulations in this part or imported by or on behalf of such owner without the necessity of obtaining a Treasury Department gold license: *Provided*, That, except as permitted by § 54.40, no gold coins imported into the United States shall be permitted to enter pursuant to the authorization contained in this section until the person importing such coins shall have satisfied

the collector of customs at the port of entry that such coins are of recognized special value to collectors of rare and unusual coin and that they were acquired by such person prior to the filing of this section with the Office of the Federal Register and owned by him on such date."

[SEAL]

DOUGLAS DILLON,
Secretary of the Treasury.

[F.R. Doc. 62-7312; filed, July 23, 1962, 10:49 a.m.]

SENATE COMMITTEE FARM BILL MERITS APPROVAL

Mr. PROXMIRE. Mr. President, a little later in the year the Senate will consider the farm bill for the second time. The bill has been before the Senate once and has been acted upon once. When the bill was previously before the Senate, the Senate saw fit to reverse the action of the Agriculture Committee and attach a mandatory feed grain provision. The House rejected the mandatory provision and sent back a bill which many regard as damaging to the farmer because it would cut farm income sharply.

However, it did provide for a continuation of the voluntary feed grain provision which the administration urged last year, and which was adopted last year.

Now the Senate Committee on Agriculture and Forestry has again reported a farm bill to the Senate. I believe the Kennedy administration should approve and support this bill, and recognize it as the soundest and best bill that can be enacted at this time. All the main provisions have been supported by the administration, this year or last year.

There are five titles in the bill, and in four the administration's recommendations this year are carried out to a very large extent. In the fifth title, relating to feed grains, it is true that the administration's recommendation for mandatory feed grain controls was not adopted by the Senate Agriculture Committee; but in place of it, the proposal which was recommended last year by the administration—the Kennedy recommendation, not the Benson recommendation—for voluntary retirement of feed grain acreage was adopted. That provision was written into the bill, and we provided for a 1-year renewal of the program.

I earnestly hope Senators will give careful consideration to the bill as it was reported from the Senate Agriculture and Forestry Committee.

Mr. GRUENING. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Alaska.

Mr. GRUENING. I gather that the Senator from Wisconsin favors the Senate version now reported and ready for action by the Senate.

Mr. PROXMIRE. The Senator from Alaska is correct.

Mr. GRUENING. The opinion of the Senator from Wisconsin will have great weight with me, because he is extremely knowledgeable in the field of agriculture. He comes from a predominantly agricultural State. His views on most agricultural questions have always been sympathetic. I am glad to have his

recommendations with regard to the bill. I propose to follow them.

Mr. PROXMIRE. I thank the Senator. I am deeply appreciative of his support. It means a great deal to me.

I point out that if this bill is adopted in the form in which it left the Senate Agriculture Committee, there is every prospect that there will be a farm bill this year. On the other hand, if the administration insists on forcing a vote on a mandatory feed grain proposal, there is every prospect that there will be no farm bill this year at all.

I say that with emphasis, because it is apparent—there is virtually a commitment from the chairman of the House Agriculture Committee—that if the Senate should send over a mandatory feed-grain provision, the House would not agree to conference, and there would be no bill.

So if the Congress wants to have a farm bill this year, it seems necessary to accept the bill as it came from the Senate Committee on Agriculture and Forestry.

I emphasize that for the first time since I became a member of the Committee on Agriculture and Forestry—and I have been a member for several years now—the Republican members of the committee are unanimously against an administration proposal. While I suppose there are some Republicans in Congress who are extremely partisan on every issue, there are a number of Republican members of the Agriculture Committee who have never been partisan in the area of agriculture. Furthermore, they are very knowledgeable. They have specialized in this field. Their advice should be recognized as logical and appropriate. At least one Republican member of the Agriculture Committee has never voted against a farm bill, and is very desirous of having a farm bill passed this year, because he knows what chaos and devastation would result if no bill were enacted.

In this case, the Senate Republicans on the Agriculture Committee voted unanimously for the voluntary approach, for a reenactment for 1 year of the voluntary feed-grain provision.

In view of the fact that we cannot have a bipartisan bill of any kind this year unless we accept the voluntary feed-grain provision, which is now the only one really in controversy, I earnestly hope the administration, the Secretary of Agriculture, and the President of the United States will give careful and thoughtful consideration to accepting the bill as it was reported from the Senate Committee on Agriculture and Forestry.

GRUENING SUPPORT SIGNIFICANT

The statement which was made by the Senator from Alaska is extremely significant. The vote on the Ellender amendment, which was the decision made as to either going on a voluntary feed grain proposal or a mandatory feed grain proposal, was very close. Other Senators might join the Senator from Alaska, whose previous position was for mandatory controls and whose position now, on the basis of what he has said, is for

voluntary controls. If two or three other Senators should join the Senator from Alaska, it would be possible for us to pass a voluntary feed grains provision and thus enact a farm bill this year.

I have argued frequently in the past in reference to the farm bill. I intend to do so in the future, before the farm bill comes before the Senate.

Tonight I merely emphasize that what I suggest is the practical approach. It is an approach which I think the administration can take with great honor and satisfaction. As I say, this is the administration's bill. Four of the five titles are theirs. The fifth title is a title which they recommended in 1961.

The voluntary retirement program is working. It is reducing the cost of the farm programs. According to the Secretary of Agriculture, it reduced the cost \$500 million last year. It is working even better this year, which was a surprise to some. Compliance is better. Participation is better. In view of the fact that the program reduced the surplus in feed grains much more substantially than expected, in the best growing weather in recent history, it seems to me that the program is proving itself. It is popular with farmers. It is increasing farm income. It is workable. It is practicable.

Under these circumstances, Mr. President, I hope the mandatory approach will not be pressed.

HUGE RECENT AID TO RED DICTATOR TITO

Mr. PROXMIRE. Mr. President, I wish to speak quite briefly on another matter: the conference report on the foreign aid bill, agreed to by the Senate a couple of weeks ago.

One element in that conference report which was most in dispute between the Senate and the House was the item for aid to Communist countries.

The real impact of that difference was on the question of aid to Yugoslavia, because we had given no economic loan aid to Poland before, and we had planned, in that particular bill, to provide \$10 million of aid to Yugoslavia.

As the bill left the Senate that \$10 million was stricken out. As the bill came back from conference, the \$10 million was to be permitted. There was no other really substantial change.

As the bill left the Senate it had been modified on the basis of a leadership amendment to permit Public Law 480 aid to go to Communist countries. During the course of consideration of the conference report it was said by the Senator in charge of the conference report that we had not given much aid to Yugoslavia anyway, and therefore it was not a matter of great concern.

The U.S. News & World Report has published a very excellent article as to who receives aid from the United States. One of the most striking aspects of the table which has been supplied shows that, of all the countries in Western Europe, only Spain receives more economic aid than Yugoslavia. This Communist dictatorship receives more economic aid than France, West Germany, the United Kingdom, and all the others combined.

In a comparison with regard to the Near East, Yugoslavia received three times as much economic aid as Greece, far more than Iran, nearly three times as much as Israel, more than twice as much as Jordan, and substantially more than Turkey.

When we compare the aid given to Yugoslavia with that given to the countries of Latin America, Yugoslavia, under a Communist dictatorship received more economic aid, on the basis of the analysis by U.S. News & World Report, than the combined total aid we give to Bolivia, Colombia, Ecuador, Haiti, Panama, Peru, Uruguay, and Venezuela.

The table shows that only a handful of countries received more economic aid, in the most recent year for which figures are available, than Yugoslavia received. In view of the conduct of Tito at the Belgrade conference, in view of the fact that he has made it clear that Yugoslavia is not only a dictatorship but also a Communist dictatorship, and that he believes in international communism and will fight with Khrushchev and against us for international communism, I hope the very able officials in the State Department—and they are both able and conscientious, and as firmly opposed to communism and as eager to extend freedom throughout the world as any Senator—will recognize that under these circumstances it makes no sense whatsoever to prop up and to improve the economy of Yugoslavia, when the economy of Yugoslavia is used by a Communist dictator to undermine the United States throughout the world.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the table to which I have referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Who gets aid from the United States in the fiscal year ended June 30, 1961

[In millions of dollars]

	Military aid	Economic aid	Total
Western Europe	\$570	\$535	\$1,105
Denmark	44	0	44
France	30	37	67
West Germany	16	27	43
Italy	173	68	241
Spain	66	186	252
United Kingdom	31	15	46
Yugoslavia	0	162	162
Others	210	40	250
Eastern Europe (Poland)-Near East	0	142	142
Greece	65	54	119
Iran	65	96	161
Israel	0	65	65
Jordan	3	68	71
Turkey	136	158	294
United Arab Republic	0	181	181
Others	17	70	87
Africa	21	246	267
Congo	0	22	22
Ethiopia	12	11	23
Libya	1	37	38
Morocco	0	53	53
Tunisia	0	73	73
Others	8	50	58
South Asia	0	965	965
Afghanistan	0	26	26
India	0	615	615
Pakistan	0	292	292
Others	0	32	32

Who gets aid from the United States in the fiscal year ended June 30, 1961—Continued

[In millions of dollars]

	Military aid	Economic aid	Total
Far East and Pacific	\$714	\$1,024	\$1,738
Formosa	162	164	326
Indonesia	0	82	82
Japan	101	78	179
Korea	252	301	553
Laos	47	40	87
Philippines	35	57	92
Thailand	26	36	62
Vietnam	52	193	245
Others	39	73	112
Latin America	98	540	638
Argentina	9	59	68
Bolivia	0	14	14
Brazil	36	196	232
Chile	13	62	75
Colombia	14	28	42
Ecuador	9	9	18
Guatemala	1	20	21
Haiti	0	15	15
Mexico	0	49	49
Panama	0	13	13
Peru	12	17	29
Uruguay	3	12	15
Venezuela	1	14	15
Others	0	32	32
Total U.S. aid to rest of world	1,722	4,389	6,111

¹ On July 19 United States cut off virtually all aid to Peru, following a takeover there by a military dictatorship.

² Includes \$33,000,000 military aid and \$245,000,000 economic aid not reported for individual countries, or going to international organizations.

TAX CUT NOT THE ANSWER

Mr. PROXMIRE. Mr. President, I should like to speak on one other subject; namely, the proposed tax cut.

This morning in the Washington Post and Times Herald the Gallup poll reported on popular reaction to the proposal for a tax cut. The question which was asked the people throughout the country was this:

Would you favor or oppose a cut in Federal income taxes at this time, if a cut meant that the Government would go further in debt?

This is a somewhat loaded question, to emphasize the fact that the country would go further in debt, and not to say that a cut might reduce unemployment, for example. There might have been a different response, if the question had been asked in that form.

But the question is completely honest. I think it should be clear that if we should provide a tax cut the effect would be that the country would go further in debt. Even if we do not cut taxes now, there will be a deficit of over \$4 billion in the administrative budget for the present fiscal year.

I ask unanimous consent that the results of the Gallup poll be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CUT IN TAXES OPPOSED IF IT RAISES U.S. DEBT

(By George Gallup)

PRINCETON, N.J.—In the Nation's present frame of mind, any tax cut that adds to the Federal Government's current debt is going to be unpopular with a lot of Americans.

Nearly three out of four persons say they would oppose any tax cut if it meant that the Government would have to go further in the red to grant it.

Even among those who think the taxes they pay today are too high (nearly half of the public), a majority opposes any tax relief